inter-alia, to provide easier loans to farmers and people living in rural areas have led to enhanced credit flow in rural areas. Credit flow to agriculture alone has increased by 32% from Rs. 86,981 crore in 2003-04 to Rs. 1,15,242 crore in 2004-05:—

(i) The banks have been asked to simplify the procedure for sanction of loan.

(ii) One page documentation has been circulated among banks for adoption.

(iii) Reserve Bank of India has instructed banks not to insist on collateral or margin for loans upto Rs. 50,000/-

(iv) Banks have been asked to issue Kisan Credit Cards to all eligible farmers.

(v) Financing of Self Help Groups is being emphasised.

(vi) A project has been initiated for lending by banks to joint liability groups of tenant farmers and oral lessees.

(vii) Indian Banks' Association has advised public sector banks to charge an interest rate of not more than 9% per annum on crop loans upto Rs. 50,000.

(c) Does not arise.

Seasonal loans to farmers

†2170. SHRI BASHISTHA NARAIN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the measures being taken by government for providing loans at low interest rate through NABARD and other banks with a view to free the farmers from the clutches of money lenders;

(b) whether Government contemplate any plan for providing seasonal loans to the farmers to fulfil their requirements of seeds and fertilizers particularly in sowing season; and

(c) if so, the details thereof?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Interest rates charged by commercial and cooperative banks are deregulated. Banks are free to determine the rate of interest on loans taking into account their cost of funds and the risk element involved. However, pursuant to the advice of Indian Banks' Association to Public Sector Banks to charge a rate of interest of not more than 9% per annum on crop loans upto Rs. 50,000/-. NABARD has advised cooperative banks to charge a low rate of interest on crop loans. Further, NABARD provides refinance at concessional rates of interest to State Cooperative Banks and Regional Rural Banks.

(b) and (c) Crop loans are advanced to farmers by Banks based on the scales of finance fixed, acreage and crops cultivated. While fixing the crop-wise scales of finance annully, District Level Technical Committees (DLTCs) duly reckon, among others, the input costs in respect of seeds and fertilizers also.

Debt trap of Maharashtra

2171. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether in view of the recent report of the Comptroller and Auditor General in June, 2005, the State Government of Maharashtra had submitted any proposal for taking the State out of the debt trap;

(b) if so, the details of the proposal made by the State Government for the purpose; and

(c) the Central Government's response thereto, indicating the stage at which different proposals are standing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Does not arise.

World Bank loans to hilly States

2172. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has expressed its willingness to extend